

PX 576

Message

From: Dinuka Samarasinghe [REDACTED]@ripple.com]
 Sent: 10/7/2019 4:34:06 PM
 To: Breanne Madigan [REDACTED]@ripple.com]
 CC: [REDACTED]@ripple.com]; [REDACTED]@ripple.com]; [REDACTED]@ripple.com]
 Subject: Pct of XRP sales on US exchanges vs. non-US exchanges

Hi Breanne,

Please find the attached spreadsheet where we find % of XRP sales broken down by US exchanges and OTC desks, versus non-US. US exchanges were Bittrex, Coinbase, Kraken, and Poloniex. As for OTC partners, each was US based aside from [REDACTED] and [REDACTED]

	Q1	Q2	Q3	TOTAL
Prog. Sales to US exchanges	2.7%	3.2%	9.3%	3.4%
Prog. Sales to non-US exchanges	97.3%	96.8%	90.7%	96.6%
% of OTC Sales to US partners	28.4%	34.3%	0.0%	24.78%
% of OTC Sales to non-US partners	71.6%	65.7%	100.0%	75.22%
% of TOTAL Sales to US partners	12.3%	16.5%	2.3%	12.95%
% of TOTAL Sales to non-US partners	87.7%	83.5%	97.7%	87.05%

As for exchanges that allow US customers, and OTC partners that have US customers, I used the tax team's methodology for exchanges on which our market makers did programmatic liquidation: either (1) Terms of Use or User Agreement expressly state that no US persons are permitted, OR (2) there is some local law restriction prohibiting use by US persons or more probably, non-residents of the country in which the exchange is organized. If 1 or 2 is present, they also gathered corroborating data as further confirmation. (For example, tried to set up an account using US documentation and got rejected or Alexa data shows <2% of web traffic is coming from US IP locations.)

A number of the counted exchanges, however, probably have a significant % of foreign investors which means that significant % of our XRP sales are to foreign persons. Nonetheless, we make the assumption that all sales of XRP on such exchanges are to US persons in the absence of more conclusive data.

OTC partners were assumed to all take US customers, including [REDACTED]


Discussing with [REDACTED] she said, [REDACTED] was sorting out a KYC/onboarding process for non-Japanese / corporate customers, and was not actively onboarding new customers who fit into the category. But they may be able to do it on an one-off basis while sorting it out." She will be following up with [REDACTED] to see if they do have a restriction on US customers. Until then, I will assume that even a few one-offs, would count towards allowing US customers.

All that being said, here is a similar table for exchanges and OTC partners that allow US customers.

	Q1	Q2	Q3	TOTAL
Prog. Sales to exchanges w. US Customers	53.5%	57.2%	49.9%	55.26%

Prog. Sales to exchanges w/o. US Customers	46.5%	42.8%	50.1%	44.74%
% of OTC Sales partners that had US Customers	100.0%	100.0%	100.0%	100.0%
% of OTC Sales partners w/o US Customers	0.0%	0.0%	0.0%	0.0%
% of TOTAL Sales to partners w US customers	71.6%	75.8%	87.7%	75.26%
% of TOTAL Sales to partners w/o US customers	28.4%	24.2%	12.3%	24.74%

Please let me know if you have any questions. Please see the below spreadsheet for further detail.

 XRP sales exchange geography

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